

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

FILED

JAN 25 2018

U.S. DISTRICT COURT
EASTERN DISTRICT OF MO
ST. LOUIS

UNITED STATES OF AMERICA,

Plaintiff,

v.

MICHAEL HAYES,

Defendant.

Case No.

4:18CR00049 AGF/JMB

INDICTMENT

The Grand Jury charges that:

COUNTS 1-5
(Bank Fraud)

A. Introduction

1. At all times relevant to this Indictment, Fortune Bank was a financial institution within the meaning of Title 18, United States Code, Section 20, because it was a financial institution insured by the Federal Deposit Insurance Corporation.

2. At all times relevant to this Indictment, Midwest Regional Bank ("Midwest") was and is a financial institution within the meaning of Title 18, United States Code, Section 20, because it was and is a financial institution insured by the Federal Deposit Insurance Corporation.

3. At all times relevant to this Indictment, **MICHAEL HAYES** worked as the loan manager for The Loan Machine, a company that offered installment loans and lines of credit, with an office located in St. Louis, Missouri, in the Eastern District of Missouri ("the loan company").

4. At all times relevant to this Indictment, Hayes was responsible for reviewing loan applications and was given access to the loan company's accounting software.

5. At no time during his employment was Michael Hayes authorized by his employers, the loan company owners, to make withdrawals from the loan company's bank accounts in order to pay personal expenses.

B. The Scheme

6. Beginning in or around 2011, and continuing until April of 2016, in the Eastern District of Missouri and elsewhere,

MICHAEL HAYES,

the defendant herein, did knowingly and intentionally devise and intend to devise a scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody or control of, a financial institution, by means of material false and fraudulent pretenses and representations.

7. It was part of the scheme and artifice that on one or more occasions Michael Hayes repeatedly wrote checks made payable to vendors of the loan company that were unconnected to any actual services or goods provided to the loan company by the vendors, and for which the vendors had not invoiced the loan company.

8. It was further part of the scheme and artifice that on one or more occasions Michael Hayes would sign the checks drawn on the bank accounts of the loan company and would forge the endorsement of the vendor company on the back of the check.

9. It was further part of the scheme and artifice that on one or more occasions Michael Hayes would bring the checks made out to and purportedly endorsed by a vendor of the loan company to VB, an employee of the loan company who worked in its currency exchange division, and request that VB cash the fraudulent checks.

10. It was further part of the scheme and artifice that on one or more occasions Michael Hayes would then retain the proceeds of the fraudulent cashed check and would not transfer them to the vendor out to whom the check had been made.

11. It was further part of the scheme and artifice that on one or more occasions Michael Hayes would modify the entries in the loan company's accounting software to reflect vendor payments that had never actually been paid to vendors, but that Hayes had personally retained.

COUNT I

12. Each of the allegations of Paragraphs 1 through 11 of this Indictment is hereby incorporated by reference as if fully set forth herein.

13. On or about February 11, 2014, in the Eastern District of Missouri,

MICHAEL HAYES,

the defendant herein, knowingly executed and attempted to execute the aforesaid scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Fortune Bank in that the defendant drafted, endorsed and cashed check #14989 in the amount of \$1,230.00, made payable to loan company vendor "TS," and then retained the proceeds of that check, well knowing that TS had not invoiced the loan company and that no representative of TS had endorsed the check, and without authorization from the loan company.

In violation of Title 18, United States Code, Section 1344.

COUNT II

14. Each of the allegations of Paragraphs 1 through 11 of this Indictment is hereby incorporated by reference as if fully set forth herein.

15. On or about February 11, 2014, in the Eastern District of Missouri,

MICHAEL HAYES,

the defendant herein, knowingly executed and attempted to execute the aforesaid scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Fortune Bank in that the defendant drafted, endorsed and cashed check #14990 in the amount of \$650.00, made payable to loan company vendor "TS," and then retained the proceeds of that check, well knowing that TS had not invoiced the loan company and that no representative of TS had endorsed the check, and without authorization from the loan company.

In violation of Title 18, United States Code, Section 1344.

COUNT III

16. Each of the allegations of Paragraphs 1 through 11 of this Indictment is hereby incorporated by reference as if fully set forth herein.

17. On or about November 18, 2014, in the Eastern District of Missouri,

MICHAEL HAYES,

the defendant herein, knowingly executed and attempted to execute the aforesaid scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Fortune Bank in that the defendant drafted, endorsed and cashed check #16859 in the amount of \$3,876.25, made payable to loan company vendor "DW," and then retained the proceeds of that check, well knowing that DW had not invoiced the loan company and that no representative of DW had endorsed the check, and without authorization from the loan company.

In violation of Title 18, United States Code, Section 1344.

COUNT IV

18. Each of the allegations of Paragraphs 1 through 11 of this Indictment is hereby incorporated by reference as if fully set forth herein.

19. On or about March 20, 2015, in the Eastern District of Missouri,

MICHAEL HAYES,

the defendant herein, knowingly executed and attempted to execute the aforesaid scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Midwest Regional Bank in that the defendant drafted, endorsed and cashed check #18144 in the amount of \$1,499.40, made payable to loan company vendor "KH," and then retained the proceeds of that check, well knowing that KH had not invoiced the loan company and that no representative of KH had endorsed the check, and without authorization from the loan company.

In violation of Title 18, United States Code, Section 1344.

COUNT V

1. Each of the allegations of Paragraphs 1 through 11 of this Indictment is hereby incorporated by reference as if fully set forth herein.

2. On or about November 19, 2015, in the Eastern District of Missouri,

MICHAEL HAYES,

the defendant herein, knowingly executed and attempted to execute the aforesaid scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Midwest Regional Bank in that the defendant drafted, endorsed and cashed check #13579 in the amount of \$2,865.00, made payable to loan company vendor "JI," and then retained the proceeds of that check, well knowing that JI had not invoiced

the loan company and that no representative of JI had endorsed the check, and without authorization from the loan company.

In violation of Title 18, United States Code, Section 1344.

FORFEITURE ALLEGATION

The United States Attorney further alleges there is probable cause that:

1. Pursuant to Title 18, United States Code, Sections 982(a)(2), upon conviction of an offense in violation of Title 18, United States Code, Section 1344 as set forth in Counts One through Five, the defendant shall forfeit to the United States of America any property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of such violation. Subject to forfeiture is a sum of money equal to the total value of any property, real or personal, constituting or derived from any proceeds traceable to such violation.

4. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America will be entitled to the forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL.

FOREPERSON

JEFFREY B. JENSEN
United States Attorney

Gwendolyn E. Carroll
Assistant United States Attorney